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# Livestock

## SITUATION

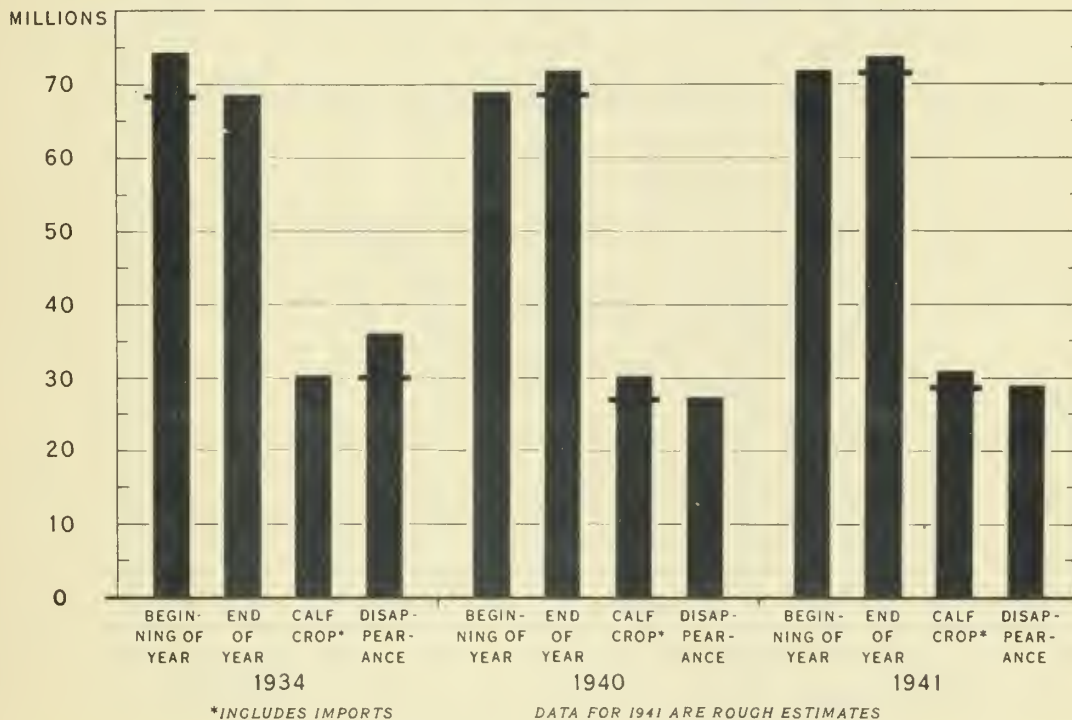
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-28



OCTOBER 1941

### CATTLE AND CALVES: NUMBER ON FARMS, CALF CROP, AND SLAUGHTER AND DEATH LOSSES, UNITED STATES, 1934, AND 1940-41

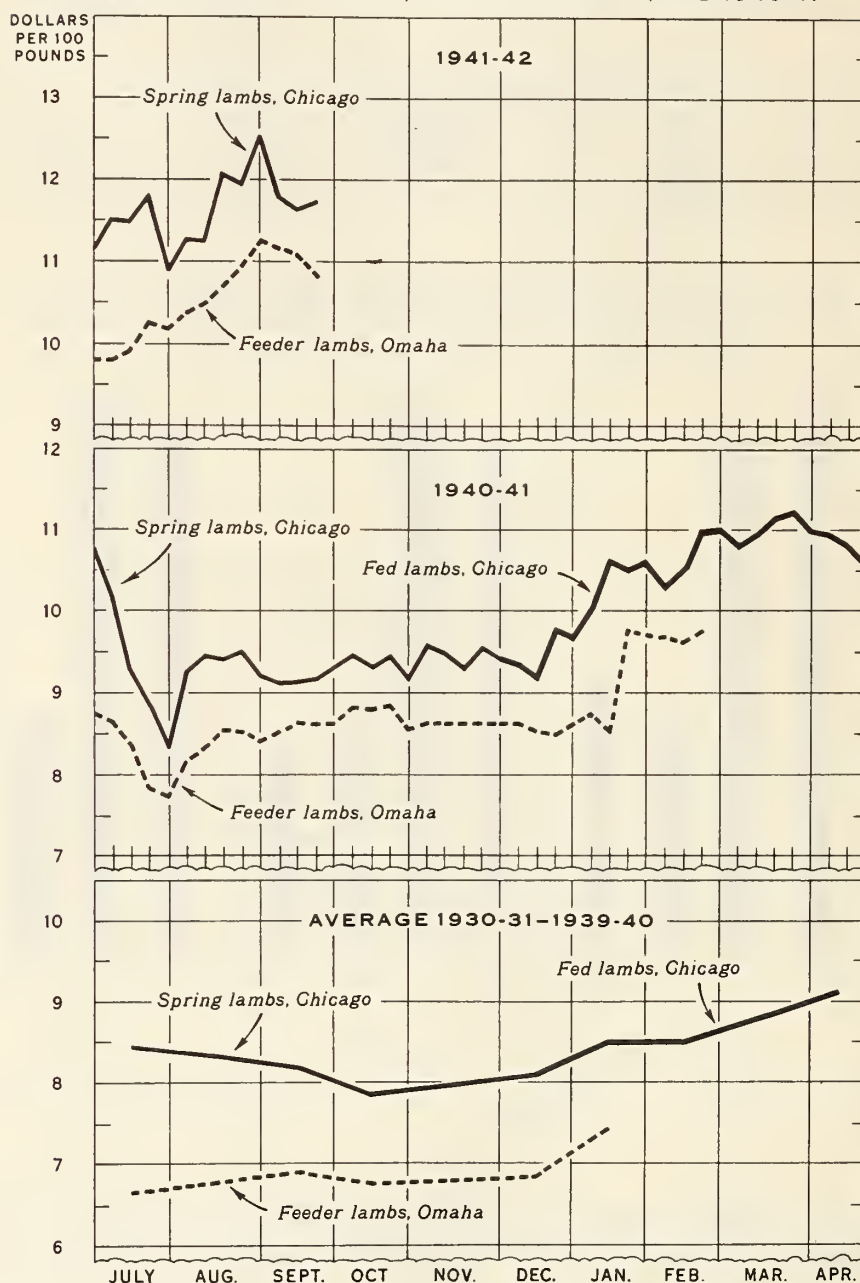


U. S. DEPARTMENT OF AGRICULTURE

NEG. 39543 BUREAU OF AGRICULTURAL ECONOMICS

THE NUMBER OF CATTLE AND CALVES ON FARMS AND RANCHES DECREASES IN ANY YEAR WHEN SLAUGHTER AND DEATH LOSSES (DISAPPEARANCE) EXCEED THE CALF CROP. THIS HAPPENED IN 1934. CATTLE NUMBERS AT THE BEGINNING OF THAT YEAR WERE AT A RECORD HIGH LEVEL, BUT BECAUSE OF DROUGHT, SLAUGHTER AND DEATH LOSSES DURING THE YEAR WERE MUCH LARGER THAN THE CALF CROP. CONVERSELY, NUMBERS INCREASE WHEN THE CALF CROP EXCEEDS TOTAL DISAPPEARANCE. THIS HAS HAPPENED IN EACH OF THE PAST 4 YEARS. CATTLE NUMBERS IN THE UNITED STATES HAVE INCREASED ABOUT 7-8 MILLION HEAD SINCE EARLY 1938, AND AT THE BEGINNING OF 1942 THEY WILL BE NEARLY AS LARGE AS THE RECORD HIGH REACHED IN 1934. IF CATTLE NUMBERS ARE NOT TO BE INCREASED FURTHER DURING 1942, SLAUGHTER AND DEATH LOSSES NEXT YEAR MUST BE AS LARGE AS THE 1942 CALF CROP. THE 1942 GOAL FOR CATTLE AND CALF SLAUGHTER IS ABOUT 11 PERCENT GREATER THAN THE PROBABLE TOTAL SLAUGHTER FOR 1941. THE REASONS FOR THIS SUGGESTED INCREASE IN SLAUGHTER ARE THAT THE NEED FOR MEATS DURING THE PERIOD OF DEFENSE ACTIVITY IS LARGE AND THE ECONOMIC POSITION OF THE CATTLE INDUSTRY WILL BE IMPROVED IF THE UPWARD TREND IN NUMBERS IS CHECKED.

PRICES OF SPRING LAMBS AND FED LAMBS AT CHICAGO, AND  
FEEDER LAMBS AT OMAHA, AVERAGE 1930-39, AND 1940-41



U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.- IN MOST YEARS LAMB PRICES FOLLOW AN UPWARD TREND DURING THE WINTER AND EARLY SPRING MONTHS, WHEN MOST OF THE FED LAMBS ARE MARKETED. LAST YEAR THE ADVANCE IN PRICES DURING THIS PERIOD WAS QUITE PRONOUNCED, AND RETURNS FROM LAMB FEEDING OPERATIONS WERE MOSTLY FAVORABLE. SO FAR THIS FALL PRICES OF FEEDER LAMBS HAVE AVERAGED AROUND \$2.00 HIGHER THAN A YEAR EARLIER. FED LAMB PRICES ARE EXPECTED TO AVERAGE HIGHER DURING THE COMING WINTER AND SPRING THAN A YEAR EARLIER, BUT THEY MAY NOT ADVANCE AS SHARPLY AS THEY DID IN EARLY 1941.

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THE LIVESTOCK SITUATION  
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Summary

Developments to early October indicate that the total number of cattle fed during the 1941-42 feeding season may be smaller than a year earlier. Shipments of stocker and feeder cattle into the Corn Belt during July-September were about one third smaller than in those months last year. It is likely that marketings of feeder cattle from the Western States have been delayed because of favorable range feed conditions in that area. But even if shipments should be large during the next 2 months, the total number of feeder cattle shipped to the Corn Belt this fall is expected to be smaller than a year earlier. Prices of feeder cattle have been high relative to prices of fat cattle during the past several months.

Although the total number of cattle purchased for feeding this fall probably will be smaller than a year earlier, it is possible that the number of cattle fed in the Corn Belt during the coming year will again be fairly large. The decrease in shipments of feeder cattle into the Corn Belt may be offset partly by an increase in the feeding of cattle raised in the Corn Belt.

The number of grain-fed cattle to be marketed in the next few months is indicated to be fairly large. But the decrease in shipments of feeder cattle into the Corn Belt in the past few months probably will be reflected in reduced supplies of fed cattle for market in early 1942, and prices of well-finished slaughter cattle are likely to advance in the early months of next year.

The demand for feeder lambs has been strong this fall, but the total number of sheep and lambs fed during the 1941-42 season is likely to be



smaller than the record large number fed last season. The number fed in the Western States may not differ greatly from a year earlier, but a decrease is probable in the Corn Belt. Shipments of sheep and lambs to that area during July-September were about 10 percent smaller than a year earlier and are expected to continue below last year throughout the remainder of the fall marketing season. The strong demand for ewe lambs in the Western States points to further expansion in sheep numbers in that area.

The market movement of the 1941 spring pig crop is getting under way, and slaughter supplies of hogs will increase seasonally during the next 2 or 3 months. Marketings during October-December probably will be smaller than in those months last year, however. This decrease will be largely offset by continued large marketings of cattle, however, and the total production of meat during the last quarter of 1941 probably will be as large as a year earlier.

Marketings of all livestock increased moderately in September. The total number of cattle slaughtered under Federal inspection during the month was 24 percent larger than a year earlier, but hog slaughter was 8 percent smaller. Prices of hogs and lambs have declined sharply since early September, but cattle prices have weakened only slightly.

-- October 18, 1941

#### REVIEW OF RECENT DEVELOPMENTS

##### HOGS

##### Hog Prices Decline in Late September and Early October

After advancing to a new 4-year peak in mid-September, hog prices declined during the last half of the month and in early October. The decline was largely seasonal, reflecting the usual increase in marketings of spring pigs at this time of the year. The average price of butcher hogs at Chicago for the week ended October 11 was \$11.00, compared with \$11.95 a month earlier and \$6.40 in the corresponding week of 1940.

Marketings of packing sows have decreased considerably in recent weeks, and the spread between prices of heavy and medium weight hogs has narrowed seasonally. In early October average prices of 300-360-pound butcher hogs at Chicago were only a few cents lower than prices of hogs weighing around 200-250 pounds.

The decline in hog prices during the past few weeks has been more than offset by a decline in corn prices, and the hog-corn price ratio has improved further. The ratio, based on Chicago average prices, for the week ended October 11 was 15.3, the highest it has been since early 1939. This is well above the long-time average of 11.6 and favorable for feeding corn to hogs.

#### Hog Marketings Increased in September

The market movement of the 1941 spring pig crop is now under way. The weekly rate of hog slaughter increased materially during September and early October, but continued under a year earlier. The total number of hogs slaughtered under Federal inspection during September was 2.9 million head, raising total slaughter for the 1940-41 marketing year to 48.0 million head, slightly more than the 47.6 million head slaughtered in 1939-40.

As a result of the improvement in hog prices and the hog-corn price ratio in recent months, average weights of hogs marketed were considerably heavier than a year earlier during the last half of the marketing year. The total production of pork and lard under Federal inspection during 1940-41 was about 3 percent greater than in 1939-40, compared with an increase of less than 1 percent in the total number of hogs marketed.

#### Storage Stocks of Pork and Lard Reduced Seasonally During September

Storage stocks of pork were reduced materially during September. The net out-of-storage movement for the month amounted to 119 million pounds, about 30 million pounds more than the reduction in stocks during September last year and almost twice as great as the 1935-39 average out-of-storage movement for the month. Total pork stocks on October 1 of 366 million pounds were larger than a year earlier, however, and larger than in other recent years.

Lard stocks also were reduced more than the usual seasonal amount during September, the out-of-storage movement for the month amounting to 67 million pounds, compared with 37 million pounds in September last year. Cold storage stocks of lard on October 1 of 216 million pounds were 20 million pounds smaller than a year earlier, but they were the second largest for the month on record.

Storage stocks owned by the Department of Agriculture outside of processors' hands on October 1 amounted to 16.8 million pounds of pork and 5.1 million pounds of lard.

Storage holdings of pork and lard on the first of the month, average  
1934-35 to 1938-39, 1939-40, and current marketing year

	Pork			Lard			Rendered pork fat	
	Average:			Average:				
Month	1935-36:	1940-41:	1941-42	1935-36:	1940-41:	1941-42:	1940-41:	1941-42
	to			to				
	1939-40:			1939-40:				
	Million	Million	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Oct.	299.8	329.2	2/ 366.1	77.7	235.7	2/ 215.6	1/	2/ 3.6
Nov.	277.3	303.7		62.3	223.2		1/	
Dec.	330.9	408.9		68.8	232.5		5.1	
Jan.	458.4	656.2		104.3	287.0		7.1	
Feb.	568.7	739.9		138.4	299.6		7.2	
Mar.	600.5	791.9		156.0	317.4		9.2	
Apr.	585.2	785.4		162.7	310.4		8.3	
May	570.7	795.9		162.1	321.1		6.6	
June	533.5	798.5		168.2	366.1		7.8	
July	505.3	703.9		174.6	374.7		7.8	
Aug.	458.3	618.9		168.1	332.9		7.4	
Sept.	380.3	485.1		145.6	282.7		5.4	

1/ Not distinguished from lard prior to December 1940.

2/ Preliminary.

#### Exports of Pork Increased Sharply in August

Exports of pork during August totaled nearly 36 million pounds, 10 million pounds more than in July and 32 million pounds more than in August last year. During the 3 months June-August pork exports averaged about 31 million pounds per month, compared with a monthly rate of less than 3 million pounds during the first 5 months of the year. Pork exports in August were the largest for all months since March 1926.

Exports of lard during August of nearly 45 million pounds were a little smaller than in July, but they continued much larger than in earlier months of this year and they were the second largest since May 1934. The increase in pork and lard exports during the past 3 months reflects shipments to Great Britain under the Lend-Lease Act.

#### Government Purchases of Pork and Lard

Purchases of pork and lard by the Department of Agriculture during the past month or so have been made at a rate of approximately 20 million pounds per week. Total purchases from March 15 through October 11 amount to 349 million pounds of pork, 146 million pounds canned pork and 203 million pounds cured or frozen pork and 232 million pounds of lard. Purchases during the 6 months April-September were equivalent to roughly 14 percent of the pork and 30 percent of the lard produced under Federal inspection during that period.



Purchases of pork and lard by the Department of Agriculture,  
March-August 1941

Period	Pork		Lard	Total pork and lard
	Cured and frozen	Canned		
	Pounds	Pounds		Pounds
Month:				
Mar. ....	---	---	37,507,200	37,507,200
Apr. ....	30,458,500	15,005,884	31,258,400	76,722,784
May ....	47,775,000	28,116,946	64,811,631	140,703,577
June ....	10,085,000	6,604,288	19,442,384	36,131,672
July ....	22,835,000	16,084,706	17,837,312	56,757,018
Aug. ....	53,228,000	33,237,660	28,123,952	114,589,612
Sept. ....	29,478,000	23,881,400	21,308,000	74,667,400
Week ended				
Oct. 4 .....	4,401,000	13,285,028	5,122,400	22,808,428
11 .....	4,620,000	10,011,980	6,420,045	21,052,025
Total .....	202,880,500	146,227,392	231,831,324	580,939,716

Purchases of Pork and Lard Under  
the Food Stamp Plan

Until August of this year, when pork and lard were removed from the list of foods available for purchase with blue stamps under the Department's surplus-food removal program, these two products were important items purchased by eligible families under the Food Stamp Plan. As shown in the tables below, from May 1939 (when the Stamp Plan was inaugurated) through July of this year purchases of pork and lard with blue stamps totaled well over 200 million pounds and accounted for over 30 percent of the total value of all foods purchased with blue stamps during this period.

Lard was first included on the list of "surplus" foods in October 1939, and pork was added in December of that year. At that time prices of hogs and hog products were quite low. As a result of the advance in prices since last January the "surplus situation" for pork and lard has been removed, and at the end of July these two products were removed from the list of products available for purchase with blue stamps.

One of the major objectives of the Food Stamp Plan is to increase returns to farmers. Although the total quantity of pork and lard purchased by needy families with blue stamps during May 1939-July 1941 was not large in relation to the total consumption of hog products in that period, it is likely that hog producers were benefitted by the plan. Economic analyses of the Food Stamp Plan <sup>1/</sup> indicate that the total consumer expenditure for foods is increased by an amount at least as great as the total value of the blue stamp purchases. In the case of pork and lard, this amount for the period May 1939-July 1941 was approximately 20 million dollars.

<sup>1/</sup> Economic Analysis of the Food Stamp Plan, a special report of the Bureau of Agricultural Economics and the Surplus Marketing Administration.

Quantities of pork and lard purchased with blue stamps under the Food Stamp Plan, and apparent consumption of pork and lard produced under Federal inspection, May 1939-July 1941

Period	Estimated purchases with blue stamps			Apparent consumption of hog products produced under Federal inspection		
	Pork	Lard	Pork and lard	Pork	Lard	Pork and lard
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
May-Dec. 1939	.8	1.3	2.1	3,785.3	661.8	4,447.1
Jan.-Dec. 1940	64.2	31.3	95.5	6,339.5	1,165.8	7,505.3
Jan.-July 1941	79.6	41.7	121.3	3,559.4	579.7	4,139.1
Total	144.6	74.3	218.9	13,684.2	2,407.3	16,091.5

Estimated value of pork and lard and all foods purchased with blue stamps under the Food Stamp Plan, May 1939-July 1941 ....

Period	Estimated value				Pork and lard as percent of all foods
	Pork	Lard	Pork and lard	All foods	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
May-Dec. 1939	121	134	255	2,588	9.8
Jan.-Dec. 1940	11,201	2,563	13,764	44,193	31.1
Jan.-July 1941	16,143	4,285	20,428	62,563	32.6
Total	27,465	6,982	34,447	109,344	31.5

#### CATTLE

##### Cattle Prices Little Changed During the Past Month

The general level of cattle prices has not changed greatly during the past several weeks. The spread between prices of the upper and lower grades of slaughter cattle has widened somewhat since mid-summer, but it has continued much narrower than a year earlier. In early October prices of common grade slaughter steers at Chicago were about 60 cents higher than a year earlier, but prices of the choice and prime grades were nearly \$1.00 lower. The average price of good grade beef steers at Chicago for the week ended October 11 was \$11.50, compared with \$11.70 a month earlier and \$11.60 in the corresponding week of 1940.

Prices of feeder steers weakened a little in late September, but they have continued well above a year earlier and are still high relative to prices of slaughter cattle. The average price of feeder steers at Kansas City in mid-October was \$9.75, about \$1.35 higher than a year earlier.



Prices of veal calves in early October were about \$2.50 higher than a year earlier. The average price of good and choice grades at Chicago for the week ended October 11 was \$13.55.

#### Cattle Slaughter Large in September

Marketings of slaughter cattle increased moderately in September and continued much larger than a year earlier. The total number of cattle slaughtered under Federal inspection during the month was slightly more than 1 million head, 4 percent more than in August and 24 percent more than in September last year. It was the third largest commercial cattle slaughter for the month on record. Cattle slaughter has been running much larger than a year earlier for the past 5 months, largely as a result of the sharp increase in marketings of fed cattle. In the first 9 months of 1941 (January-September), inspected cattle slaughter totaled 12 percent greater than in the corresponding period of 1940.

Marketings of calves for slaughter increased fairly sharply in September. Inspected slaughter for the month totaled 447,000 head, 8 percent more than in August and in September last year. In most months of 1941 calf slaughter has not differed greatly from that of a year earlier, and in the first 3 quarters of the year it totaled 1 percent greater than in the corresponding period of 1940.

#### Cattle Imports

Imports of cattle and calves were reduced moderately in August. Total imports for the month amounted to a little over 41,000 head, compared with 58,000 head in July and 35,000 head in August last year. In the first 8 months of this year (January-August) cattle and calf imports totaled 527,000 head, about 76,000 head more than in the corresponding months of 1940. The increase over a year earlier was due to the larger imports from Mexico. Imports from Canada were smaller than a year earlier.

#### Trade Agreement With Argentina

In the recently concluded trade agreement between Argentina and the United States, the principal provision of interest to the livestock industry of this country is a reduction in the duty on canned, pickled, or cured beef and veal. Under the 1930 tariff act the duty on these products was 6 cents per pound but not less than 20 percent ad valorem. Under the new trade agreement the minimum 20 percent ad valorem provision is retained but the rate per pound is reduced to 3 cents. During the past several years the duty of 6 cents per pound has been equivalent to roughly 50-75 percent of the value per pound of these imports. Unless prices of these products advance to exceptionally high levels, the duty of 3 cents per pound will be greater than the minimum rate of 20 percent ad valorem.

Production of canned beef in the United States is small, and the domestic demand for this product is met to a considerable extent by imports almost exclusively from the four South American countries, Argentina, Brazil, Paraguay, and Uruguay.

As is shown in the accompanying table, total imports of canned beef during the past few years have amounted to around 60-80 million pounds annually, while imports of pickled and cured beef and veal have generally totaled less than 2 million pounds.. On a dressed weight basis these imports have been equivalent to around 3 to 4 percent of the annual federally inspected production of beef and veal in this country.

Another provision of the new trade agreement is a reduction in the duty on cattle hides from 10 to 5 percent ad valorem.

United States: Imports of canned and pickled or cured beef and veal and dressed weight of cattle and calves slaughtered under Federal inspection, 1935-40

Year	Imports of beef and veal				Total	
	Canned		Total all countries	Pickled or cured all countries	Dressed weight equivalent of total canned, pickled or cured	dressed weight and calves slaughtered under Federal inspection
	Argentina	Brazil, Paraguay, Uruguay		Federal		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1935	32	44	76	1	192	5,167
1936	40	48	88	2	222	5,970
1937	41	47	88	2	222	5,374
1938	34	45	79	2	198	5,379
1939	35	51	86	2	217	5,362
1940	30	31	61	1	155	5,539

#### LAMBS

##### Lamb Prices Declined in September

After advancing sharply during August and early September, prices of slaughter lambs declined to about the level which has prevailed throughout most of this year's spring-lamb marketing season. The average price of good and choice grade slaughter lambs at Chicago for the week ended October 11 was \$11.70, compared with \$12.55 in early September and \$9.45 in the corresponding week of 1940.

Market prices of feeder lambs advanced steadily from June to early September, but they have weakened a little since then. The average price of good and choice grade feeder lambs at Omaha in early October was about \$11.00, a little more than \$2.00 higher than a year earlier.

##### Sheep and Lamb Slaughter Continues Larger than a Year Earlier

Marketings of sheep and lambs for slaughter increased slightly in September and continued larger than a year earlier. Inspected slaughter for the month totaled 1,567,000 head, 3 percent more than a month earlier and 6 percent more than a year earlier. So far in the 1941 grass-lamb marketing season (May-September) sheep and lamb slaughter has totaled 5 percent greater than a year earlier. The 1941 lamb crop is estimated to have been about 5 percent larger than that of 1940.



## CASH INCOME AND PRICES RECEIVED BY FARMERS FOR MEAT ANIMALS

Cash farm income from meat animals during August totaled 265 million dollars, 72 million dollars (37 percent) more than in August last year. The increase over a year earlier was due chiefly to the larger marketings of cattle than a year earlier and to the higher level of all livestock prices this year than last. In the first 8 months of 1941 cash farm income from meat animals has totaled 1,932 million dollars, about one-third more than in the January-August period last year.

The index of prices received by farmers for meat animals advanced 8 points from mid-August to mid-September, raising the index to 166 percent of the July 1909-August 1914 average. This is the highest level reached since July 1929. The United States average local market price for hogs in September of \$11.10 was the highest since September 1928.

Cash income and prices received by farmers for meat animals, specified months and periods, 1940-41

Item	Unit	1940		1941			
		Jan.- Aug.	Sept.	Jan.- Aug.	July	Aug.	Sept.
United States average price received by farmers for:	Dol. per						
Hogs .....	cwt.	5.21	6.14	8.41	10.20	10.39	11.10
Beef cattle .....	"	7.29	7.77	8.58	8.78	9.07	9.36
Veal calves .....	"	8.71	9.06	10.00	10.27	10.56	11.26
Sheep .....	"	3.90	3.68	4.73	4.60	4.93	5.25
Lambs .....	"	7.89	7.59	8.99	9.43	9.32	9.84
Index of prices received by farmers for all meat animals	1/	105	114	140	154	158	166
Cash farm income from meat animals .....	Mil. dol.	1,447	230	1,932	258	2/265	

1/ Base period August 1909-July 1914 = 100. 2/ Preliminary.

## OUTLOOK FOR FEED SUPPLIES IN 1941-42

Supplies of feed for 1941-42 will be the largest in more than 20 years. The supply of feed grains available for the year beginning October 1 (corn and oat stocks on October 1 plus production of corn, barley, and grain sorghums) totaled 119 million tons, slightly more than the 1940-41 supply and 18 percent above the 1928-32 average. October 1 prospects indicate that the 1941 corn crop will total about 2,626 million bushels, 177 million bushels more than the 1940 crop. Total stocks of old corn on October 1 amounted to 632 million bushels, of which about 385 million bushels were under seal or owned by the Commodity Credit Corporation. Because of the expected increases in the production of livestock and livestock products, domestic disappearance of feed grains will be greater in 1941-42 than in other recent years, and the corn carry-over next October 1 may be somewhat smaller than the carry-over this year.

The 1941 hay crop of between 96 and 97 million tons was about 1-1/2 million tons larger than the 1940 crop. The total 1941-42 supply of hay is the largest in over 20 years.

Range conditions in 1941 have been the best in over 10 years, and a good supply of range feed for fall and winter use is indicated. Hay and other feed crops are plentiful, although the hay crop in the Western States has been damaged by rains. Winter wheat pastures are very promising in Kansas, Oklahoma, and northwest Texas. The conditions of western ranges on October 1 was better than a year earlier and much above average.

#### OUTLOOK - HOGS

BACKGROUND.- Hog prices were low throughout 1940, reflecting the largest market supplies of hogs in 15 years. The average price of hogs at Chicago for the year was \$5.70. Since early January 1941 hog prices have followed a marked upward trend, as a result of: (1) A material reduction in hog supplies under those of a year earlier; (2) improvement in consumer demand for meats resulting from the defense program; (3) large Government purchases of pork and lard for export under the Lend-Lease Act. Hog prices in mid-October were about \$4 higher than a year earlier.

The outlook for hogs during the remainder of this year and in 1942 was discussed in detail in the July and September issues of The Livestock Situation. As there has been little change in the outlook during the past month, the principal points given in the above issues are outlined briefly below.

1. The market movement of the 1941 spring pig crop is now under way, and slaughter supplies of hogs will increase seasonally for the next 2 or 3 months. Hog prices probably will decline during this period, but they will continue much above a year earlier.
2. Although this year's spring pig crop was about the same size as that of 1940, the seasonal distribution of marketings is expected to be considerably different from the distribution last fall and winter. Hog supplies during the last quarter of 1941 (October-December) probably will be materially smaller than a year earlier, whereas in the late winter and early spring they probably will be larger.
3. Present indications are that this year's fall pig crop will exceed that of last year by around 13 percent. This increase will be reflected in marketings during the late spring and summer of 1942. Inspected hog slaughter for the entire 1941-42 marketing year (October-September) probably will total about 50 million head, compared with 48 million head in 1940-41.
4. Consumer demand conditions have improved materially during the past 12 months. Demand for meats in 1942 is expected to be considerably stronger than in 1941. Large Government purchases of pork and lard under the food-for-defense program also will give strong support to hog prices. Although hog prices are not likely to advance as sharply in 1942 as



they have during the past 9 months, the average for the year will be higher than in 1941.

5. The advance in hog prices since last January has been reflected in considerable improvement in the hog-corn price ratio. The ratio is now well above the long-time average and favorable for expanding hog production. This, together with Government assurance that hog prices will be maintained at a fairly high level through June 1943, is expected to result in a material increase in the size of the 1942 spring pig crop. A large proportion of these pigs will be marketed before the end of 1942, and it appears quite likely that the 1942 goal for hog slaughter, recently announced by the Secretary of Agriculture, will be reached.
6. Total Government purchases of pork and lard under the food-for-defense program in 1942 probably will be equivalent to the products of about 12 million hogs. Supplies remaining for domestic consumption, however, will not be greatly different from those of the current year.

#### CATTLE - OUTLOOK

BACKGROUND.- Marketings of feeder cattle ordinarily increase sharply in the late summer and fall months with the seasonal reduction in supplies of pasture and range forage. Large numbers of these cattle are purchased by Corn Belt feeders for fattening on grain during the winter and spring months. Cattle feeding operations in the Corn Belt were reduced sharply by the 1934 and 1936 droughts. Since then cattle feeding has increased, and the number fed in the Corn Belt during the past season was among the largest in all years. The resulting large supplies of well-finished slaughter cattle during the past several months have been reflected in low prices for the upper grades of slaughter cattle relative to prices of the lower grades and to prices of feeder cattle.

#### Cattle Feeding May be Reduced This Fall and Winter

Developments up to October 1 point to a considerable decrease in cattle feeding during the 1941-42 fall and winter feeding season compared with a year earlier, according to information released recently by the Agricultural Marketing Service. From information now available it appears that the decrease will be rather general throughout the Corn Belt States, except in Kansas. Here, with crop production the largest in many years and wheat pastures in good condition, it is expected that cattle feeding will be on a larger scale than last year.

Reports from other areas indicate that the total number of cattle to be fed outside the Corn Belt may be about the same this year as last.

A few of the Western States may show a decrease in feeding operations, but these decreases are expected to be about offset by increases in some of these States and in the winter wheat area of Texas.

As shown in the accompanying table, shipments of feeder cattle to the Corn Belt during the 3 months July-September have been considerably less than a year earlier. However, this reduction in in-shipments of feeder cattle may be due to a considerable extent to the later movement of such cattle from the Range States this year than last. Range feed conditions have been exceptionally favorable this year, and it is likely that producers in the Western States have delayed marketings in order to utilize as much of the available feed supply as possible. However, the spread between prices of feeder cattle and finished cattle has been quite narrow for several months, and this has tended to discourage cattle feeding, or at least has caused feeders to defer the purchase of feeder cattle until later in the year.

Feeder cattle and calves received in several Corn Belt  
States, July-September, 1940-41 <sup>1/</sup>

State	July <sup>2/</sup>		Aug. <sup>2/</sup>		Sept. <sup>2/</sup>		July-Sept. <sup>2/</sup>	
	1940	1941	1940	1941	1940	1941	1940	1941
	Number	Number	Number	Number	Number	Number	Number	Number
Ohio	17,513	3,735	11,456	7,496	18,251	13,279	47,220	24,510
Indiana	17,252	8,159	13,162	13,837	29,661	14,863	60,075	36,859
Michigan	6,124	2,402	6,190	2,890	9,253	4,943	21,567	10,235
Wisconsin	1,909	1,380	1,782	1,608	3,732	2,227	7,423	5,215
Minnesota	16,265	7,267	23,397	15,955	40,240	32,470	79,902	55,692
Iowa	78,297	42,640	176,056	80,519	237,061	165,081	491,414	288,240
Nebraska	15,062	17,145	32,598	20,419	48,198	37,324	95,858	74,888
Total 7 States	152,422	82,728	264,641	142,724	386,396	270,187	803,459	495,639

<sup>1/</sup> Data obtained from the offices of the State Veterinarians of the States listed above.

<sup>2/</sup> Total of direct shipments and shipments from public stockyards.

Although the movement of feeder cattle to the Corn Belt so far this fall has been smaller than a year earlier, it is possible that the total number of cattle to be fed in that area during the 1941-42 season will again be fairly large. Abundant supplies of grain and roughage are available, and cattle numbers in most of the North Central States are larger than in the peak year 1934.

An increase in marketings for slaughter next year in line with the 1942 production goal for cattle and calves probably would result in the finishing for market of a larger than usual number of cattle that have been raised in the Corn Belt. In addition there may be a fairly heavy in-shipment of feeder cattle during the last 2 months of this year, although available information as to the number of feeders yet to be marketed from producing States does not point to a sufficient volume to offset the decrease in Corn Belt shipments during the July-September period.



Slaughter Supplies During Late 1941

Marketings of slaughter cattle ordinarily increase during the summer and fall, reaching a peak for the year in October. Because of the favorable range conditions, the peak of the market movement of grass-fat cattle from the Western States probably will be later this year than usual. Much of the sharp increase in cattle slaughter over a year earlier during the past 5 months has been due to the larger supplies of grain-fed cattle marketed from the Corn Belt. Trade reports indicate that supplies of such cattle remaining to be marketed this fall and early winter are still large. Hence, total slaughter supplies of cattle are likely to continue exceptionally large for another 2 or 3 months, but it is likely that supplies will not continue as much larger than a year earlier as they have been during the past summer and fall.

Smaller Marketings of Fed Cattle in  
Early 1942

Although total marketings of all cattle for slaughter in the early months of 1942 may be large, a decrease in marketings of grain-fed cattle from a year earlier as well as from the current level seems probable for this period. This decrease may be especially pronounced in marketings of long-fed heavy-weight cattle. A large proportion of cattle now on feed probably will be marketed by the end of the year. And even though shipments of feeder cattle into the Corn Belt may expand considerably in November and December, the marked decrease in shipments in July, August, and September compared with a year earlier probably will be reflected in a substantial reduction in supplies of grain-fed cattle for market in the first quarter of 1942.

This decrease in marketings of grain-fed cattle in the early months of next year is expected to be accompanied by an advance in the prices of the better grades of slaughter cattle. The spread between prices of the lower and upper grades of slaughter steers probably will widen during this period. An advance in prices of the better grades of slaughter cattle and a widening of the spread between the upper and lower grades is, of course, contrary to the usual seasonal movements in cattle prices. Prices of the better grades usually decline in the first half of the year. In most years, however, changes in the number of cattle being fed for market in the early months of the year are not so great as appears likely this season.

## OUTLOOK - LAMBS

BACKGROUND.- Lamb feeding is carried on mostly from November to April, although feeding in other months has increased in recent years. About 50-60 percent of the lambs are fed in the Corn Belt, but large numbers of lambs also are fed in the Western States, particularly Colorado. The volume of lamb feeding in any year depends chiefly upon the size of the lamb crop, the proportion of the western lambs reaching slaughter weights before the end of the fall marketing season, and upon the demand for feeder lambs. The 1941 lamb crop was 5 percent larger than that of 1940, but the crop has developed well this year as a result of exceptionally favorable range conditions.

Decrease in Lamb Feeding Likely  
in 1941-42 Season

According to information released recently by the Agricultural Marketing Service it is likely that there will be some decrease in the number of lambs fed during the 1941-42 season from the record large number fed a year earlier.

As is shown in the accompanying table, shipments of feeder lambs and sheep into the Corn Belt States during the 3 months, July to September, were substantially less than a year earlier. This decrease is due, in part, to excellent range feed conditions in the Western States that have tended to delay the movement into the Corn Belt. However, it does not now appear probable that a heavy in-movement in October and November can bring the total fall movement up to that of last year, since October in-shipments last year were very large. Present indications point to decreased feeding operations in Ohio, Michigan, Wisconsin, Minnesota, Iowa, and South Dakota, while nearly as many or more are expected to be fed in Indiana, Illinois, Missouri, Nebraska, and Kansas compared with last year.

Feeder sheep and lambs received in several Corn Belt  
States, July-September 1940 1/

State	: July 2/	: Aug. 2/	: Sept. 2/	: July-Sept. 2/
	: 1940	: 1941	: 1940	: 1941
	: Number	: Number	: Number	: Number
Ohio	: 16,003	5,765	27,877	26,905
Indiana	: 25,629	18,650	28,733	43,822
Michigan	: 1,565	1,123	12,111	5,892
Wisconsin	: 1,679	975	28,455	5,484
Minnesota	: 19,945	18,927	96,721	59,509
Iowa	: 80,002	61,320	187,593	157,257
Nebraska	: 28,190	23,098	47,817	79,945
Total 7	: 173,013	129,858	429,307	378,814
States	: 1,553,661	1,269,002	951,341	760,330

1/ Data obtained from the offices of the State veterinarians of the States listed above.

2/ Total of direct shipments and shipments from public stockyards.

Early in October reports from the Western States indicate considerable uncertainty as to the probable volume of feeding in that area this year. A few of these States are now expected to show decreased feeding operations while the others may feed as many as were fed last year, if not more. The total for the Western States may be about as large this season as last. In Colorado, the largest feeding State, the number fed will probably equal or exceed the relatively small number fed last season.

In all Western States and in Texas, the active demand for ewe lambs and a substantial premium on ewe lambs over wether lambs indicate that more ewe lambs may be held over in these States this fall than last.

With wheat pasture prospects in Texas, Oklahoma, and Kansas the best in years, a considerable increase in lamb feeding in that area seems probable. The limiting factor seems to be the available supply of lambs, which, in turn, will be largely dependent upon the disposition made of the large Texas lamb crop. Prices of Texas feeder lambs are more nearly equal to those of western feeder lambs than is usually the case, and this may tend to limit the movement to wheat pastures. With abundant and cheap feed in Texas and high prices for wool, there may be a relatively large proportion of wether lambs held over to be marketed as shorn, grass-fat yearlings next spring.



## Supplies of hogs and hog products, specified periods

Item	Unit	1941		Oct.-Sept.			Oct.-Aug.	
		Aug.	July	Average:	1928-29:	1938-	1939-	1939-
		1940	Aug.	1928-29:	to	39	40	40
				1932-33:				41
Hog slaughter under								
Federal inspection	Thou-							
No. slaughtered <u>1/</u>	sands	3,045	3,006	2,796	46,363	39,720	47,651	44,482
Live weight:								
Average .....	Lb.	240	263	261	231	234	234	234
Total .....	Mil.lb.	731	792	730	10,723	9,311	11,142	10,408
Total dressed wt.	" "	541	595	550	8,069	6,975	8,303	7,762
Yield of lard per								
100 lb. live wt.								
of hogs .....	Lb.	12.4	13.7	13.5	15.2	<u>2/</u> 12.8	<u>2/</u> 13.2	13.4
Lard production <u>3/</u>	Mil.lb.	91	108	98	1,630	1,187	<u>2/</u> 1,485	1,401
Exports: <u>4/</u>								
Pork .....	" "	4	26	36	211	125	115	111
Lard .....	" "	10	54	45	657	270	232	222
Imports of pork <u>4/</u>	" "	1	2	1	6	50	7	7
Proportion of sows								
in inspected								
slaughter <u>5/</u> .....	Pct.	59.4	59.2	59.1	51.2	49.3	50.0	49.6

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.  
3/ Includes rendered pork fat. 4/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 5/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit	1941		Oct.-Sept.			1940-	
		Sept.	Aug.	Average:	1928-29:	1938-	1939-	1940-
		1940	Sept.	1928-29:	to	39	40	41
				1932-33:				
Av. price, all purchases:	Dol. per:							
Seven markets .....	100 lb.	6.31	10.72	11.10	<u>1/</u>	6.85	5.54	8.32
Chicago .....	" "	6.45	10.68	11.04	6.99	7.00	5.69	8.44
Av. price of barrows and								
gilts, Chicago .....	" "	6.76	11.23	11.67	<u>1/</u>	7.23	5.86	8.62
Av. price of No. 3 Yellow	Ct. per:							
corn, Chicago .....	bu.	64	75	75	62	49	60	68
Hog-corn price ratio <u>2/</u> :								
Chicago .....	Bu.	10.0	14.3	14.7	11.6	14.4	9.6	12.2
N. Central States .....	"	10.6	15.7	16.5	12.9	16.6	10.6	13.6
Proportion of packing sows								
in total packer & shipper								
purchases, 7 markets <u>3/</u>	Pct.	21.0	30.0	25.0	<u>1/</u>	13.0	12.0	12.0
Av. weight at 7 markets ...	Lb.	242	269	258	<u>1/</u>	247	244	247

Compiled from reports of Agricultural Marketing Service.

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.



## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year			Month		
		Average:	1940	1941	1940	1941	1941
		1924-33:	Aug.	Sept.	July	Aug.	Sept.
Slaughter under Federal inspection:							
Number slaughtered:	Thou-						
Cattle 1/ .....	sands	8,850	9,756	842	812	968	1,004
Calves 1/ .....	"	4,819	5,359	432	412	445	447
Cows and heifers 2/ .....	"	4,181	4,481	375	387	392	428
Steers 2/ .....	"	4,340	4,866	427	385	520	491
Average live weight:							
Cattle .....	Pounds:	953	940	922	924	959	962
Calves .....	"	176	191	206	216	200	209
Total dressed weight:							
Cattle .....	Mil.lb.	4,532	4,971	421	404	515	509
Calves .....	" "	487	568	49	49	50	49
Inspected shipments: 1/	Thou-						
Feeder cattle and calves .....	sands	2,894	3,162	312	517	161	252
Imports:							
Cattle 3/ .....	"	253	644	35	30	58	41
Canned beef 4/ .....	Mil.lb.	5/ 36	61	5	4	4	9

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, September 1941, with comparisons

Item	Sept. average: 1924-33:	Sept. 1939	Sept. 1940	1941		
				July	Aug.	Sept.
				Dollars	Dollars	Dollars
Beef steers sold out of first hands at Chicago:						
Choice and Prime .....	12.29	10.85	12.53	11.76	12.06	12.02
Good .....	10.92	10.20	11.15	11.11	11.58	11.56
Medium .....	9.17	9.00	9.08	10.43	10.62	10.38
Common .....	7.23	7.22	7.12	8.70	8.54	8.40
All grades .....	10.59	10.23	11.50	11.24	11.73	11.73
Cows, Chicago:						
Good .....	1/ 6.87	7.24	7.33	8.77	8.72	8.51
Cutter and Common, and Canner.	2/ 3.85	5.00	4.60	6.20	6.08	6.02
Vealers, Chicago:						
Good and Choice .....	12.07	11.22	11.58	12.01	12.41	13.65
Stocker and feeder steers, Kansas City:						
Average price all weights .....	3/ 7.25	8.02	8.41	9.59	9.79	9.98
Average price paid by packers:						
All cattle .....	7.37	7.76	8.21	9.43	9.57	
Steers .....	4/	9.25	10.20	10.56	11.03	
Calves .....	8.82	8.44	8.38	10.48	10.55	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926; Low Cutter and Cutter July 1926-June 1939. 3/ Average 1925-33. 4/ Not available.

## Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month					
		Av.	1940	Av. 1924-33	1940	1941			
		1924-33	1940	Aug.	Sept.	Aug.	Sept.	July	Aug.
Slaughter under Federal inspection									
Sheep and lambs:									
Number slaughtered 1/	Thou.-sands	14,737	17,351	1,297	1,380	1,489	1,473	1,569	1,522
Average live weight	Lb.	81	86	78	79	82	83	83	85
Average dressed weight	"	39	41	37	38	39	40	40	40
Total dressed weight	Mil.-lb.	569	702	48,252	51,733	57,457	58,108	61,853	60,364
Lambs and yearlings:									
Number slaughtered	sands	13,678	16,253	1,203	1,274	1,375	1,359	1,481	1,394
Percentage of total sheep and lambs	Pct.	92.8	93.7	92.8	92.3	92.3	92.2	94.4	91.1

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,  
July-September 1939-41

Item	1939			1940			1941		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
Slaughter lambs:	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Chicago - Good and choice 1/	9.56	8.66	9.73	9.49	9.40	9.14	11.37	11.63	11.93
Slaughter ewes:									
Chicago - common and medium	2.27	2.25	2.81	2.26	2.18	2.38	3.10	3.46	3.64
Feeding lambs, Omaha:									
Good and choice	8.09	7.76	8.33	8.27	8.39	8.55	10.00	10.63	11.08
Average price paid by packers:									
Sheep and lambs	8.35	7.69	8.42	8.73	8.12	8.30	10.17	10.06	

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade spring lambs.

Index numbers of income of industrial workers, and cash  
income from meat animals, specified periods

Item	Calendar year				1941	
	1938	1939	1940	1940	July	Aug.
Income of industrial workers (1924-29 = 100)	73	1/ 84	1/ 95	1/ 96	138	2/ 138
Cash farm income from meat animals (1924-29 = 100)	78	81	1/ 85	1/ 82.0	1/ 122.5	2/ 114.5
1/ Revised. 2/ Preliminary.						